

**Grantee: Chandler, AZ**

**Grant: B-08-MN-04-0502**

**April 1, 2011 thru June 30, 2011 Performance Report**

**Grant Number:**

B-08-MN-04-0502

**Obligation Date:****Grantee Name:**

Chandler, AZ

**Award Date:****Grant Amount:**

\$2,415,100.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Original - In Progress

**QPR Contact:**

Carl Morgan

## Disasters:

**Declaration Number**

NSP

## Narratives

**Areas of Greatest Need:**

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tract within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

**Distribution and and Uses of Funds:**

After analyzing foreclosure trends and code complaints, staff proposes targeting the 85225 zip code for programs using the NSP funds with the following NSP strategies: 1. Development of a Chandler Community Land Trust (CCLT) – The amount of \$1,468,500 will be used to purchase, rehabilitate and sell up to 15 formerly vacant, foreclosed single-family homes to income-qualified residents. Under this program the participants will purchase only the structure, the home, and not the land. The land will remain in possession of the Land Trust and leased to the homeowner until they sell the home. When the homeowner chooses to sell the home, the lease is terminated and any appreciation in the home's value will be split between the homeowner and the Land Trust. This system will reduce the purchase costs for the participant while sharing equity and ensuring that the home will remain permanently affordable as part of the Land Trust. The families that are envisioned for these properties are between 81% and 120% of area media income (AMI), or approximately \$53,300 to \$79,900 annually for a family of four. Qualifying to purchase only the house also greatly reduces the amount of the mortgage for which these families would have to apply. 2. Creation of permanent affordable rental housing – Approximately \$ 655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed multifamily properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the partnering non-profit for their suitability for the program. The partnering non-profit will assume responsibility for the on-going maintenance of the properties after acquisition. 3. Down Payment Assistance – Approximately \$50,000 will be used to assist qualified potential homebuyers with down payment assistance. These funds will be distributed to residents purchasing a house through the Land Trust to make the Land Trust component even more affordable. The downpayment assistance will be secured with a ten-year forgivable lien on the purchased property. The partnering non-profit will qualify, educate and monitor the new homeowners. Within the 85225 zip code, these three strategies will be targeted to Census Tracts identified by HUD as most at risk for foreclosure. 4. Administrative support – No more than \$241,500 can be used for staff support of any of the programs initiated through the NSP. This can include the staff support provided by the City and the City's non-profit partners in these programs.

**Definitions and Descriptions:****Low Income Targeting:**

While 25% of our grant amount set aside for low-income housing activities (under 50% AMI) is \$603,775, we have actually awarded \$655,100 to the Affordable Rental Movement. This is \$50,000 more than originally budgeted (\$605,100) as a result of a reallocation of NSP funds when the Downpayment Assistance activity was reduced from \$100,000 to \$50,000 as a result of a revised analysis of demand. The \$655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed multifamily properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the partnering non-profit for their suitability for the program. The partnering non-profit will assume responsibility for the on-going maintenance of the properties after acquisition.

### Acquisition and Relocation:

Acquisition of approximately 15 single family homes will be acquired through our Community Land Trust Program and an additional 6 homes will be acquired through our Permanent Rental Housing program. No relocations will be performed through these activities.

### Public Comment:

In addition to the standard published comment period, a public hearing was held at the February 12, 2009 City of Chandler Council Meeting. No comments were made during the public comment period or at the public hearing.

On March 20, 2010 the City of Chandler published our Amendment I to the Substantial Amendment for a 15-day comment period. No comments were made during the public comment period.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,415,100.00
Total CDBG Program Funds Budgeted	N/A	\$2,415,100.00
Program Funds Drawdown	\$0.00	\$1,919,554.93
Program Funds Obligated	\$0.00	\$2,415,100.00
Program Funds Expended	\$0.00	\$2,014,668.71
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$302,091.34
Program Income Drawdown	\$0.00	\$302,091.34

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$362,265.00	\$0.00
Limit on Admin/Planning	\$241,510.00	\$56,500.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$603,775.00	\$655,100.00

## Overall Progress Narrative:

The overall program has expended 80% of NSP funds including \$456,816 in program income. The acquisition rehab for rental housing program is 100% complete. The Downpayment Assistance and Community Land Trust programs are continuing to work with clients and expect to have several clients complete the homebuying process and move into their first home as a homeowner during the 3rd quarter.

Errors in the CLT09 activity client totals were unable to be resolved prior to the submission deadline, resulting in the CLT09 activity report not being updated. This has resulted in the following overall expense amounts being incorrect. The correct amounts are presented here.

Program Income Received 4/1-6/30: \$154,725.01      Program Income Received To Date: \$456,816.35  
 Program Income Drawdown 4/1-6/30: \$74,957.38      Program Income Drawdown To Date: \$377,048.72

#### CLT09 - Community Landtrust Program

Errors in the CLT09 activity client totals were unable to be resolved prior to the submission deadline, resulting in this activity's report not being updated. The narrative below summarizes the CLT09 activities during 4/1 to 6/30/11.

Program Funds Drawdown, Obligated, or Expended = \$0.

Program Income Received 4/1-6/30: \$154,725.01      Program Income Drawdown 4/1-6/30: \$74,957.38

Program Income Received To Date: \$456,816.35      Program Income Drawdown To Date: \$377,048.72

Note: 4/1 - 6/30 Program Income was retained and expended by the nonprofit. It hasn't been reported in DRGR drawdowns during this period because there were no program or administrative expenses during this period.

#### Accomplishments:

Number of housing units acquired 4/1 - 6/30: 1

Number of households assisted 4/1 - 6/30: 0

#### Activity Progress Description:

Newtown has seen tremendous growth in interest in the Chandler Community Land Trust NSP funded activities through the fourth quarter of fiscal year 10-11 and into fiscal year 11-12. Classes have grown in frequency and size, the pipeline of qualified buyers has steadily grown, and the result is increased activity by Newtown to acquire, rehab and resell quality Community Land Trust homes to first time income qualified buyers.

The First Time Homebuyer Orientation class held in Chandler had forty nine attendees during the 4th quarter, while the eight hour Homebuyer Education Class had sixty attendees during the same time period. Out of these numbers twenty people attended a Community Land Trust Orientation class to more fully understand the particulars of land trust homeownership.

During this quarter there were no additional homes sold. Contributing factors include ongoing challenges acquiring property in a very competitive housing market where multiple offers and "highest and best" offers are now the norm as was the case at the height of the housing boom. Additionally, banks continue to have very high lending standards and it is taking longer for participants to be credit ready for a loan. At this time Newtown has nine participants actively looking for a home.

In spite of these challenges, acquisition, rehab and resale activities are strong in the NSP target area. Currently Newtown has two homes in rehab pending completion. Two homes were completed in the fourth quarter and one is pending close of escrow by early August while the other is being offered as a spec home. At the end of the 4th quarter Newtown was in the acquisition process for one additional home which closed in July and is currently in rehab. Newtown expects to have several additional homes resold to first time homebuyers by the end of the 1st quarter of fiscal 11-12.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
09Admin, Administration and Planning Costs	\$0.00	\$241,500.00	\$56,500.00
09PRH, Acquisition/Purchase and Rehabilitation	\$0.00	\$655,100.00	\$655,100.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DPA09, Acquisition/Purchase and Rehabilitation	\$0.00	\$50,000.00	\$38,641.63
LT09, Acquisition/Purchase and Rehabilitation	\$0.00	\$1,468,500.00	\$1,169,313.30

## Activities

<b>Grantee Activity Number:</b>	<b>09Admin</b>
<b>Activity Title:</b>	<b>Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

09Admin

**Project Title:**

Administration and Planning Costs

**Projected Start Date:**

03/30/2009

**Projected End Date:**

03/30/2012

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**
**National Objective:**

N/A

**Responsible Organization:**

City of Chandler

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$241,500.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$241,500.00
<b>Program Funds Drawdown</b>	\$0.00	\$56,500.00
<b>Program Funds Obligated</b>	\$0.00	\$241,500.00
<b>Program Funds Expended</b>	\$0.00	\$61,836.14
City of Chandler	\$0.00	\$61,836.14
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

— No more than \$241,500 can be used for staff support of any of the programs initiated through the NSP. This can include the staff support provided by the City and the City's non-profit partners in these programs.

**Location Description:**
**Activity Progress Narrative:**

The City of Chandler has continued to administer the NSP 1 program, working with Newtown to approve environmental reviews, create reports, monitor NSP projects, and insure all activities meet the NSP program requirements.

City staff conducted monitoring visits to both nonprofits that are/were contracted to complete NSP 1 projects. No major problems were identified. Recommendations for minor changes and improvements were provided.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

---

<b>Grantee Activity Number:</b>	<b>09DPA</b>
<b>Activity Title:</b>	<b>Down-payment Assistance program</b>

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

DPA09

**Projected Start Date:**

07/01/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Purchase and Rehabilitation

**Projected End Date:**

07/01/2012

**Completed Activity Actual End Date:**
**Responsible Organization:**

City of Chandler

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$50,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$50,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$38,641.63
<b>Program Funds Obligated</b>	\$0.00	\$50,000.00
<b>Program Funds Expended</b>	\$0.00	\$38,641.63
City of Chandler	\$0.00	\$38,641.63
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Approximately \$50,000 will be used to assist qualified potential homebuyers with down payment assistance. These funds will be distributed to residents purchasing a house through the Land Trust to make the Land Trust component even more affordable. The downpayment assistance will be secured with a ten-year forgivable lien on the purchased property. The partnering non-profit will qualify, educate and monitor the new homeowners.

**Location Description:**

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment risk for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tracts within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

**Activity Progress Narrative:**

During the 4th quarter, Newtown reserved \$10,000 in down payment assistance for a home that also utilized NSP funding for acquisition and rehab. The property has fallen out of escrow with two buyers since the end of the 3rd quarter and a qualified buyer is actively being pursued for this property. The remaining \$1,358.00 in down payment assistance has not been allocated at this time.

**Accomplishments Performance Measures**

**This Report Period  
Total**

**Cumulative Actual Total / Expected  
Total**



# of Housing Units	0	8/5
# of Singlefamily Units	0	8/5

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	3/0	5/5	8/5	100.00
# Owner Households	0	0	0	3/0	5/5	8/5	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

---

<b>Grantee Activity Number:</b>	<b>09PRH</b>
<b>Activity Title:</b>	<b>Permanent rental Housing</b>

**Activity Category:**

Acquisition - general

**Project Number:**

09PRH

**Projected Start Date:**

06/30/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Purchase and Rehabilitation

**Projected End Date:**

06/30/2012

**Completed Activity Actual End Date:**
**Responsible Organization:**

City of Chandler

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$655,100.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$655,100.00
<b>Program Funds Drawdown</b>	\$0.00	\$655,100.00
<b>Program Funds Obligated</b>	\$0.00	\$655,100.00
<b>Program Funds Expended</b>	\$0.00	\$655,100.00
City of Chandler	\$0.00	\$655,100.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Approximately \$655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed single family attached properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the partnering non-profit for their suitability for the program. The partnering non-profit will assume responsibility for the on-going maintenance of the properties after acquisition.

**Location Description:**

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tract within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

**Activity Progress Narrative:**

The families that moved into the 6 affordable rental homes purchased with NSP funds are continuing to live in their NSP assisted homes. These families are also able to access counseling, referrals, and other supportive services that are available through ARM and Save the Family's programs for homeless and low income families.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Properties</b>	0	6/6
<b># of buildings (non-residential)</b>	0	0/6

# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0
# of Parcels acquired voluntarily	0	6/6
Total acquisition compensation to	0	0/0

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	6/6	0/0	6/6	100.00
# of Persons	0	0	0	0/0	0/0	0/0	0
# Renter Households	0	0	0	6/6	0/0	6/6	100.00

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00